

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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In re	: Chapter 9
	:
CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
	:
Debtor.	: Hon. Steven W. Rhodes
	:
-----X	

**STIPULATION REGARDING PROPOSED ORDER
MODIFYING THE ORDER IDENTIFYING LEGAL ISSUES,
ESTABLISHING SUPPLEMENTAL BRIEFING SCHEDULE
AND SETTING HEARING DATES AND PROCEDURES [Docket No. 5235]**

The City of Detroit, Michigan (the "City"), the 36th District Court, State of Michigan (the "36th District Court"), Local 917 and Local 3308 of the American Federation of State, County and Municipal Employees (the "AFSCME Locals"), Bobby Jones, Richard T. Weatherly, Roderick Holley and Carlton Carter (collectively, the "Individual Claimants" and, collectively with the City, the 36th District Court and the AFSCME Locals, the "Parties"), by and through each of their undersigned counsel, stipulate as follows:

1. On May 9, 2014, the AFSCME Locals file an objection (Docket No. 4392) (the "AFSCME Objection") to the Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 4392) (the "Plan").

2. On May 12, 2014, the Individual Claimants filed an objection (Docket No. 4625) (the "Individual Claimants Objection" and, together with the AFSCME Objection, the "Objections") to the Plan.

3. The Parties believe that, together, the AFSCME Locals and the Individual Claimants possess all known Indirect 36th District Court Claims, as such term is defined in the Plan. Pursuant to the Objections, the AFSCME Locals and the Individual Claimants argue that the treatment of Indirect 36th District Court Claims under the Plan violates the Bankruptcy Code.

4. On May 26, 2014, the City filed the Consolidated Reply to Certain Objections to Confirmation of Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 5034) (the "Reply").

5. On June 30, 2014, (a) the City filed the Debtor's Supplemental Brief on Legal Issues Relating to Confirmation of Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 5707) (the "City Supplemental Brief") and (b) the 36th District Court filed a supplemental brief in support of the Plan (Docket No. 5672) (the "36th District Court Supplemental Brief" and, collectively with the Reply and the City Supplemental Brief, the "Response Briefs"). Pursuant to the Response Briefs, the City and the 36th District Court asserted that the Plan's treatment of Indirect 36th District Court Claims is appropriate under applicable law.

6. On June 5, 2014, the Court entered the Order Identifying Legal Issues, Establishing Supplemental Briefing Schedule and Setting Hearing Dates and Procedures (Docket No. 5235) (the "Order Identifying Legal Issues").

Paragraph 8 of the Order Identifying Legal Issues identified the following issue ("Issue 8") as one that may be determinable as a matter of law: "Whether § II.B.3.u.i and § III.D.5 of the Plan, relating to the treatment of the claims against the 36th District Court, violate the Bankruptcy Code."

7. Oral argument on Issue 8 currently is scheduled for July 16, 2014 at 12:15 p.m., Eastern Time.

8. The Parties have reached an agreement in principle (the "Settlement") that resolves the Objections to Plan confirmation regarding the treatment of Indirect 36th District Court Claims under the Plan. The Parties are in the process of documenting the Settlement.

9. Having reached a consensual resolution regarding Issue 8, the Parties submit that oral argument regarding this issue may be unnecessary, and respectfully request that the Court enter the proposed Order attached hereto as Exhibit 1, modifying the Order Identifying Legal Issues and adjourning indefinitely oral argument with respect to Issue 8 pending final documentation of the Settlement.

Dated: July 15, 2014

/s/ Robert D. Fetter

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EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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In re	: Chapter 9
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CITY OF DETROIT, MICHIGAN,	: Case No. 13-53846
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Debtor.	: Hon. Steven W. Rhodes
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**ORDER MODIFYING THE ORDER IDENTIFYING LEGAL
ISSUES, ESTABLISHING SUPPLEMENTAL BRIEFING SCHEDULE
AND SETTING HEARING DATES AND PROCEDURES [Docket No. 5235]**

This matter came before the Court on the Stipulation Regarding Proposed Order Modifying the Order Identifying Legal Issues, Establishing Supplemental Briefing Schedule and Setting Hearing Dates and Procedures [Docket No. 5235] (the "Stipulation"),¹ filed jointly by the City of Detroit, the 36th District Court, State of Michigan, Local 917 and Local 3308 of the American Federation of State, County and Municipal Employees, Bobby Jones, Richard T. Weatherly, Roderick Holley and Carlton Carter (collectively, the "Parties"); the Court having reviewed the Stipulation; the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and (b) this is a

¹ Capitalized terms not defined herein have the meanings given to them in the Stipulation.

core proceeding pursuant to 28 U.S.C. § 157(b); and the Court being advised that the issue identified in paragraph 8 of the Order Identifying Legal Issues ("Issue 8") has been resolved in principle by the Parties; and the Court otherwise being fully advised in the premises;

IT IS HEREBY ORDERED THAT:

1. The Stipulation is APPROVED.
2. The Order Identifying Legal Issues is modified to delete paragraph 8.
3. The Court will not hear arguments regarding Issue 8 at the hearing on legal issues scheduled for July 16, 2014.
4. Oral argument regarding Issue 8 is adjourned indefinitely pending final documentation of the Settlement.

CERTIFICATE OF SERVICE

I, Heather Lennox, hereby certify that the foregoing Stipulation Regarding Proposed Order Modifying the Order Identifying Legal Issues, Establishing Supplemental Briefing Schedule and Setting Hearing Dates and Procedures [Docket No. 5235] was filed and served via the Court's electronic case filing and noticing system on this 15th day of July, 2014.

/s/ Heather Lennox